

MEMORANDUM

#04-13

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: November 21, 2003

**SUBJECT: ALL INTERNAL CHECKING ACCOUNTS--PAYMENTS TO
INDIVIDUALS FOR SERVICE--FORM 1099**

According to IRS guidelines, **all** Form 1099 reportable payments to vendors must be consolidated in one filing on magnetic media from the Division of Accounting. Any state organization that files a paper 1099 is subject to a **\$50.00 fine/penalty** for each form submitted to the IRS.

In accordance with IRS requirements, a telephone number must appear on 1099 forms. The disbursing agency or school's telephone number will be listed along with the payment amount, payment voucher number and date for each transaction that totals to the amount of the 1099-MISC form.

In order to consolidate the 1099 filing, the TN99 table was established within DFMS. Following the instructions attached, agency personnel will make all input into this table. The sole proprietor's business name, "doing business as" (DBA), is entered in the extra name field "Name2." The "Type" field has been replaced with "Miscellaneous" (MISC), "Rent", and "Interest" fields. Due to time limits for issuing 1099s, Tuesday, January 6, 2004, will be the due date for entering information into the TN99 table. A report will be generated of the data that was entered and will be sent or faxed to you for verification. Please notify your State Accountant at the Division of Accounting of any errors or discrepancies.

Any individual who currently enters information in the SVEN table will automatically be able to enter information in the TN99 table. **If any individual needs access to the TN99 table, please contact your agency Information Security Officer (ISO).**

Please note the following concerning entry of information into the TN99 table:

1. If you did not make any reportable payments from your internal checking accounts, please enter the State of Delaware's E.I. number 5160000279TN in the E.I./S.S.N. block, your department and organization, and zero (0) dollars in the miscellaneous block.
2. Include payments from petty cash accounts as well as payments from internal checking accounts (**ALL** applicable payments other than ones made through DFMS must be included).
3. If multiple payments have been made to the same vendor, please consolidate the payments into one account. Report only **one** amount per vendor.
4. The general rule is that a 1099 must be filed if total payments, to individuals and/or partnerships for services, are \$600 or more. However, you must report **all** payments to individuals (including state employees and/or partnerships) for services, **regardless** of the amount. These individuals may have performed services for other state agencies either through DFMS or other internal checking accounts.
5. If a vendor entered in the TN99 table exists in the DFMS vendor file, VEND, the address in VEND is the address that will be printed on the 1099. Please verify that the address in VEND is correct.

JURY DUTY FEES

If it is your policy for employees to turn in jury duty payments, please submit via e-mail or fax a list of the employees' names, addresses, social security numbers and the amount returned. This information will enable us to adjust the system and prevent those payments from being reported for those individuals.

ELECTION/POLL WORKERS

Per IRS Regulation, separate W-2's will be generated for these payments for state employees regardless of amount received. All other election/poll workers must meet the \$600 limit before a W-2 is generated.

If you have any questions, please contact Elaine Wooleyhand at (302) 744-1061, fax number (302) 744-1045 or e-mail: elaine.wooleyhand@state.de.us

TLN: ed
Attachments (2)

**DATA ENTRY OF FORM 1099 INFORMATION
INTO THE 1099 TABLE (TN99)**

- * **ACTION:** **A** **TABLEID:** TN99: **USRID:** Your DFMS security code.
- E.I./S.S.N.:** Social Security number of individual plus 2-digit suffix (usually 01)
- DEPT:** 2-digit department code
- ORGN:** 4-digit organization code
- NAME2:** Name of business – “doing business as” (DBA)
- ** **ADDR LINE1:** Address of individual
- ADDR LINE2:** Additional address information – if needed
- *** **ADDR LINE3:** City and State (use standard abbreviation)
- ZIP:** 5-digit zip (zip plus 4 is optional)
- AMT(S):** MISC (miscellaneous income), RENT (rental income), INTEREST (interest income)
(Enter consolidated amounts from internal checking accounts)
- STATE EMPL:** **Y** for state employee, **N** for non-state employee
- S.S.N./P:** **S** for Individual or Sole Proprietorship, **P** for Partnership
- FOREIGN CNTRY IND:** **Y** if foreign, **N** if not foreign
- ALPHABETIC NAME-TYPE:** **I** if an Individual, **B** if a Business
- NAME:** last name first name middle initial
- * Appropriate **ACTION** codes are:
- | | |
|---|--|
| A | Add to TN99 |
| C | Change or correct an existing TN99 table |
| D | Delete an existing TN99 table |
| S | Scan TN99 |
| R | Refill TN99 |
| N | Next blank TN99 |
| E | Exit TN99 |
- ** When filing in address information, please omit punctuation such as commas/periods.
- *** City and state must be on ADDR LINE3.

ACTION: x SCREEN: xxxx USERID: xxxx
1099 TABLE
KEY IS EMPLOYEE ID/SOCIAL SECURITY NO., DEPARTMENT AND ORGANIZATION
01-
 E.I./S.S.N.: xxxxxxxx xx DEPT: xx ORGN: xxxx
 NAME:
 NAME2: xx
 ADDR LINE1: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 ADDR LINE2: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 ADDR LINE3: xxxxxxxxxxxxxxxxxxxx xx xxxxx xxxx
 (COUNTRY/CITY STATE ZIP)
 AMT(S): MISC: xxxxxxxxxxxx RENT: xxxxxxxxxxxx INTEREST: xxxxxxxxxxxx
 STATE EMPL: x S.S.N./P: x FOREIGN CNTRY IND: x

 ALPHABETIC NAME-TYPE: x (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE
FORMAT)
 LAST FIRST MIDDLE
 NAME: xxxxxxxxxxxxxxxx xxxxxxxxx xxx

ACTION: A SCREEN: TN99 USERID: FRED
1099 TABLE
KEY IS EMPLOYEE ID/SOCIAL SECURITY NO., DEPARTMENT AND ORGANIZATION
01-
 E.I./S.S.N.: 123456789 01 DEPT: 10 ORGN: 0801
 NAME: CONNIE CONN
 NAME2: DBA CONN ARTIST
 ADDR LINE1: 678 PAINTER'S COURT
 ADDR LINE2: WEST WASHINGTON'S ESTATE
 ADDR LINE3: DOVER DE 19901 0678
 (COUNTRY/CITY STATE ZIP)
 AMT(S): MISC: 0.00 RENT: 40378.95 INTEREST: 0.00
 STATE EMPL: N S.S.N./P: P FOREIGN CNTRY IND: N

 ALPHABETIC NAME-TYPE: I (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE
FORMAT)
 LAST FIRST MIDDLE
 NAME: CONN CONNIE

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01-*L030 ALL LINES ADDED